

# **Senate Bill 944**

## **Disposition of State Surplus Property**

### **Senator Norma J. Torres**

#### **SUMMARY**

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Senate Bill (SB) 944 declares that the creation of sustainable jobs is a state goal and that during the disposal of surplus state real property, priority shall be given to projects that create sustainable jobs that benefit the local region.

Additionally, SB 944 authorizes the Department of General Services (DGS) to approve local government re-zoning state real property that is declared surplus, or identified as unused, underutilized, partially utilized, or excess. This would help minimize the loss of real property value that is typically associated with rezoning and would allow the state to receive the highest return on the sale of its assets.

#### **BACKGROUND**

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The Real Estate Services Division of DGS provides real estate services to most state agencies and, among other functions, oversees the state's asset planning, enhancement, and sale of state-owned excess real estate.

As a result of Proposition 60A, revenues from the sale of surplus state real property are to be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act (ERB) as established by Proposition 57. Year to date, approximately \$108.7 million in proceeds from the sale of surplus property has been applied to the repayment of ERB thereby, alleviating pressure off the general fund. Once paid off, future proceeds are required to be deposited into the Special Fund for Economic Uncertainties.

In the recent past, DGS encountered circumstances where local government

agencies re-zoned state-owned real estate resulting in a reduction of the value of the asset. This has become of particular importance to the constituents of the 32<sup>nd</sup> Senate District.

On January 29, 2010 the California Department of Developmental Services announced its intent to close the 302 acre Lanterman Developmental Center in Pomona. Upon closure, the property will be surplus. If the property is re-zoned, it can potentially decrease in market value and result in a development that is inconsistent with the long term interests of the surrounding region, in particular a loss of jobs.

SB 944 would ensure that when the state disposes its surplus property, it gives priority to projects that create sustainable jobs while also giving the state the ability to receive the highest value for its assets.

#### **STATUS**

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Senate Governmental Organization  
Committee Hearing: April 8, 2014

#### **CONTACT**

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